

**STATE RISK MANAGEMENT FUND**  
**INVESTMENT PERFORMANCE REPORT AS OF JANUARY 31, 2004**

	January-04				December-03				September-03				Current FYTD	Prior Year FY03	3 Years Ended 6/30/2003	5 Years Ended 6/30/2003
	Allocation		Month		Allocation		Quarter		Allocation		Quarter					
	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Net	Net	Net	Net
<b>LARGE CAP DOMESTIC EQUITY</b>																
<i>Structured Growth</i>																
Los Angeles Capital	56,656	2.9%	2.7%	1.68%	55,708	2.9%	2.7%	9.12%	51,035	2.8%	2.7%	N/A	N/A	N/A	N/A	N/A
AllianceBernstein	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	-1.88%	-21.24%	-6.07%
<b>Total Structured Growth</b>	<b>56,656</b>	<b>2.9%</b>	<b>2.7%</b>	<b>1.68%</b>	<b>55,708</b>	<b>2.9%</b>	<b>2.7%</b>	<b>9.12%</b>	<b>51,035</b>	<b>2.8%</b>	<b>2.7%</b>	<b>4.99%</b>	<b>16.49%</b>	<b>-1.88%</b>	<b>-21.24%</b>	<b>-6.07%</b>
Russell 1000 Growth				2.04%				10.41%				3.92%	17.08%	2.94%	-21.54%	-5.03%
<i>Structured Value</i>																
LSV	57,717	2.9%	2.7%	2.63%	56,270	2.9%	2.7%	15.66%	48,714	2.6%	2.7%	3.75%	23.15%	-2.25%	8.84%	3.73%
Russell 1000 Value				1.76%				14.19%				2.06%	18.59%	-1.02%	-0.19%	1.05%
<i>S&amp;P 500 Index</i>																
State Street	256,743	13.1%	12.6%	1.84%	252,139	13.0%	12.6%	12.16%	224,779	12.2%	12.6%	2.64%	17.23%	0.23%	-11.28%	-1.69%
S&P 500				1.84%				12.18%				2.64%	17.26%	0.25%	-11.20%	-1.62%
<b>TOTAL LARGE CAP DOMESTIC EQUITY</b>	<b>371,115</b>	<b>18.9%</b>	<b>18.0%</b>	<b>1.93%</b>	<b>364,117</b>	<b>18.8%</b>	<b>18.0%</b>	<b>12.20%</b>	<b>324,528</b>	<b>17.6%</b>	<b>18.0%</b>	<b>3.15%</b>	<b>17.98%</b>	<b>-0.48%</b>	<b>-9.33%</b>	<b>-1.90%</b>
S&P 500				1.84%				12.18%				2.64%	17.26%	0.25%	-11.20%	-1.62%
<b>SMALL CAP DOMESTIC EQUITY</b>																
<i>Manager-of-Managers</i>																
SEI	129,492	6.6%	6.0%	4.64%	123,723	6.4%	6.0%	14.82%	107,733	5.8%	6.0%	9.48%	31.55%	0.09%	N/A	N/A
Russell 2000 + 200bp				4.51%				15.07%				9.60%	31.81%	0.36%	N/A	N/A
<b>TOTAL SMALL CAP DOMESTIC EQUITY</b>	<b>129,492</b>	<b>6.6%</b>	<b>6.0%</b>	<b>4.64%</b>	<b>123,723</b>	<b>6.4%</b>	<b>6.0%</b>	<b>14.82%</b>	<b>107,733</b>	<b>5.8%</b>	<b>6.0%</b>	<b>9.48%</b>	<b>31.55%</b>	<b>0.09%</b>	<b>-3.49%</b>	<b>1.64%</b>
Russell 2000				4.34%				14.52%				9.07%	30.34%	-1.63%	-3.30%	0.97%
<b>CONVERTIBLES</b>																
TCW	226,045	11.5%	11.0%	2.23%	220,946	11.4%	11.0%	9.98%	200,880	10.9%	11.0%	1.85%	14.51%	10.23%	-9.51%	3.90%
First Boston Convertible Index				2.01%				8.54%				2.67%	13.68%	15.46%	-3.77%	5.29%
<b>DOMESTIC FIXED INCOME</b>																
<i>Core Bond</i>																
Western Asset	588,453	29.9%	30.0%	0.98%	582,810	30.1%	30.0%	1.62%	571,276	30.9%	30.0%	-0.16%	2.45%	12.77%	11.23%	8.12%
Lehman Aggregate				0.80%				0.32%				-0.14%	0.98%	10.39%	10.07%	7.54%
<i>Index</i>																
Bank of ND	315,097	16.0%	18.0%	0.89%	312,310	16.1%	18.0%	0.07%	312,510	16.9%	18.0%	-0.46%	0.48%	13.26%	10.87%	7.78%
Lehman Gov/Credit				0.91%				-0.03%				-0.50%	0.38%	13.14%	10.82%	7.83%
<i>BBB Average Quality</i>																
Strong	243,994	12.4%	12.0%	1.09%	241,245	12.5%	12.0%	1.46%	239,482	13.0%	12.0%	0.02%	2.59%	17.91%	N/A	N/A
Lehman US Credit BAA				1.13%				1.22%				0.27%	2.65%	18.33%	N/A	N/A
<b>TOTAL DOMESTIC FIXED INCOME</b>	<b>1,147,544</b>	<b>58.4%</b>	<b>60.0%</b>	<b>0.98%</b>	<b>1,136,364</b>	<b>58.7%</b>	<b>60.0%</b>	<b>1.15%</b>	<b>1,123,268</b>	<b>60.8%</b>	<b>60.0%</b>	<b>-0.21%</b>	<b>1.93%</b>	<b>13.18%</b>	<b>10.80%</b>	<b>7.81%</b>
Lehman Gov/Credit				0.91%				-0.03%				-0.50%	0.38%	13.14%	10.82%	7.83%
<b>CASH EQUIVALENTS</b>																
Bank of ND	91,292	4.6%	5.0%	0.09%	91,198	4.7%	5.0%	0.29%	92,010	5.0%	5.0%	0.30%	0.68%	1.57%	3.26%	4.15%
90 Day T-Bill				0.08%				0.26%				0.25%	0.59%	1.52%	3.33%	4.08%
<b>TOTAL RISK MANAGEMENT FUND</b>	<b>1,965,488</b>	<b>100.0%</b>	<b>100.0%</b>	<b>1.49%</b>	<b>1,936,348</b>	<b>100.0%</b>	<b>100.0%</b>	<b>4.81%</b>	<b>1,848,420</b>	<b>100.0%</b>	<b>100.0%</b>	<b>1.12%</b>	<b>7.56%</b>	<b>8.86%</b>	<b>2.05%</b>	<b>2.58%</b>
POLICY TARGET BENCHMARK				1.36%				3.92%				1.22%	6.62%	8.72%	3.08%	3.77%

NOTE: Monthly returns and market values are preliminary and subject to change.